

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Additional Estimates 2010-11, 23 February 2011

Question: E11-208

OUTCOME 0: Whole of Portfolio

Topic: HOSPITALS

Written Question on Notice

Senator Adams asked:

Will the recent COAG decision on hospital funding relieve the financial pressure on States to further rationalize smaller hospitals and how can the Commonwealth ensure that the CSOs of smaller hospitals are allowed for in decisions relating to their future?

Answer:

Under the COAG Heads of Agreement on National Health Reform, the Commonwealth will increase its contribution to efficient growth funding for hospitals to 45 per cent from 1 July 2014, increasing to 50 per cent from 1 July 2017. A guaranteed additional \$16.4 billion will be provided by the Commonwealth for public hospitals services under this new agreement up until 2019-20. This funding is on top of the level of funding that the Commonwealth would have otherwise provided.

Under Section 30 of the COAG Heads of Agreement on National Health Reform, the Commonwealth, states and territories have agreed:

“...that some small rural hospitals will continue to be funded by block grants where ABF alone would not enable these hospitals to maintain community service obligations. Block grants would also be used to fund other COAG-agreed services that are difficult to manage on an ABF basis.”